BMMP Business Management Modernization Program

The Standard Financial Information Structure (SFIS)

An Overview

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Arming the Warfighter Through Business Improvement

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Standard Financial Information Structure (SFIS)

➢ *Description:* **The SFIS is a comprehensive data structure that supports requirements for budget, cost/performance management, and external reporting across the DoD enterprise**

➢ *Scope:* **The SFIS is the means for categorizing financial information along several dimensions as needed to support financial management and reporting functions. Implementation of SFIS will make the structure inherent in all business processes in which financial transactions occur**

- ## Chief Financial Officers Act (CFO) Act of 1990

  - **Requires production of audited financial statements**

- ## Federal Financial Management Improvement Act (FFMIA) of 1996 and OMB Circular A-127

  - **Both mandate improved financial management and require enhanced financial systems to support generating auditable financial statements**

- ## OMB Circular A-127

  - **Also requires agencies' financial management systems to reflect an agency-wide *financial information classification structure* that is consistent with the U.S. Government Standard General Ledger (USSGL)**

  - **Comply with Federal Accounting Standards Advisory Board (FASAB) standards**

➢ **SFIS is part of the near-term plan to define and implement:**

- **Core DoD finance and accounting business processes**

- **USSGL posting of DoD business events**

- **Financial information needed to support budgeting, cost management, performance measurement, and external reporting**

- **The means to apply accepted cost accounting methodologies within DoD**

- **The means to link resource requirements to strategies and objectives**

- ➢ **Summarizes and analyzes financial data for reporting**

- ➢ **Provides a financial data framework that is compliant with federal requirements and consistent with private-sector best practices**

- ➢ **Enables an integrated business environment with drill-down capabilities for information retrieval**

- ➢ **Allows future core financial systems to "talk" to each other, achieving interoperability**

- ➢ **Enables traceability of budget resources throughout a transaction's lifecycle (i.e., commitment of funds to disbursement), enabling financial statement auditability**

- ➢ **Far exceeds past single-line-of-accounting solutions because a DoD business transaction (e.g., buying or selling goods and services) will automatically "carry with it" detailed information relating to budget, program, cost, customer identification, appropriation, funding, and federal entity identification**

- ➢ **Links program execution to performance, budgetary resources, and actual financial information**

- ➢ **Enables costing and valuation of DoD programs, assets, and liabilities**

- ➢ **Appropriation Account.** Designed to satisfy the Joint Financial Management Improvement Program (JFMIP) requirement to "...provide a fund structure that identifies the Treasury Appropriation Symbol/Treasury Appropriation Fund Symbol (TAS/TAFS) established by OMB and Treasury."

- ➢ **Budget Program.** Designed to satisfy the JFMIP requirement to provide a program structure with sufficient levels of detail to allow reporting for all categories in which budgetary decisions are made. Also satisfies OMB requirement to provide an object class structure consistent with the standard object class codes, as well as the flexibility to accommodate additional (lower) levels.

- ➢ **Organization.** Designed to satisfy the JFMIP requirement to establish an organizational structure based on responsibility segments (e.g., bureaus, divisions, branches). Also will enable DoD to tie responsible organizational units to programs, projects, and activities.

➢ **Transaction.** Designed to satisfy the USSGL posting/reporting requirements defined by Volume 1, Section IV, "USSGL Attributes", of the U.S. Treasury Financial Manual. Includes attributes used to describe the transactions and capture sufficient detail to allow proper reporting.

➢ **Trading Partner.** Designed to satisfy trading partner requirements defined by the Inter/Intra-Governmental Transaction System (IGTS). This information will also facilitate the government-wide statements to address issues with intra-governmental transactions.

➢ **Cost Accounting.** Designed to satisfy managerial cost accounting requirements defined by *Statements of Federal Financial Accounting Standards (SFFAS)* Number 4, "Managerial Cost Accounting Concepts and Standards for the Federal Government" and *Federal Financial Management System Requirements (FFMSR)* Number 8, "System Requirements for Managerial Cost Accounting"

➢ **http://accfin.info/terms**

➢ **Interactive tool cross-references business and finance terms (data elements) from across the Department (e.g., services, agencies, field offices) into a searchable dictionary**

➢ **Central access to words, phrases, definitions, alias terms, acronyms, etc., adopted by DoD for a common business vocabulary**

➢ **Establishes "preferred" usage based upon prioritized source requirements**

➢ **Users can publish definitions of various terms and their known aliases to wide audiences, thereby facilitating interoperability**

- **Full implementation requires that all new and migrating systems use SFIS**

- **Currently, the Financial Management Domain is assessing existing core systems and working with partner domains in evaluating system change requests (SCRs) to accommodate compliance with SFIS**

- **In the interim environment, data mapping and/or translation will be used to meet the goals of the Financial Improvement Initiative (FII)**

- **Legacy terms will be mapped and/or translated into SFIS terms (standard vocabulary), and transactions will then be posted to a central general ledger**

- **In the "to-be" environment, SFIS will be implemented within accounting and source systems ... eliminating the need to "cross-walk" between multiple business languages**

➢ **The Financial Management Domain seeks your participation in:**

- **Cross-Domain integration workshops**

- **Business process reengineering**

- **Standardization of data element values**

- **Standardization of cost data element values that support performance-based management and capabilities-based planning**

- **Implementation of SFIS policy**